

## APPENDIX.

### Statutes and Regulations Involved.

Revenue Act of 1936 (Public 740, 74th Congress)

“Sec. 23. Deductions from Gross income.

In computing net income there shall be allowed as deductions:

. . . . .

(e) Losses by individuals—in the case of an individual, losses sustained during the taxable year and not compensated for by insurance or otherwise—

. . . . .

(2) If incurred in any transaction entered into for profit, though not connected with the trade or business;”

### Treasury Regulations 94.

Article 23 (e)—1. Losses by individuals. —

. . . . .

In general losses for which an amount may be deducted from gross income must be evidenced by closed and completed transactions, fixed by identifiable events, bona fide and actually sustained during the taxable period for which allowed. Substance and not mere form will govern in determining deductible losses. \* \* \*

Art. 23 (e)—4. Shrinkage in value of stocks.

A person possessing stock of a corporation cannot deduct from gross income any amount claimed as a loss merely on account of shrinkage in value of such stock through fluctuation of the market or otherwise. The loss allowable in such cases is that actually suffered when the stock is disposed of. If stock of a corporation becomes worthless, its cost or other basis as determined and adjusted under section 113 is deductible by the owner for the taxable year in which the stock became worthless, provided a satisfactory showing is made of its worthlessness. \* \* \*

*New York Multiple Dwelling Law.*

Sec. 304. Penalties for violations. 1. Every person who shall violate or assist in the violation of any provision of this chapter shall be guilty of a misdemeanor punishable by imprisonment for ten days for each and every day that such violation shall continue or by a fine of not less than ten dollars nor more than one hundred dollars if the offense be not wilful, or of two hundred and fifty dollars if the offense be wilful, and in every case of ten dollars for each day after the first that such violation shall continue, or by both such fine and imprisonment in the discretion of the court; \* \* \*.

The owner of any multiple dwelling or part thereof, or of any building or structure upon the same lot with a dwelling, or of the said lot, where any violation of this chapter or a nuisance exists, and any person who shall violate or assist in violating any provision of this chapter, or any notice or order of the department charged with its enforcement, shall also jointly and severally for each such violation and each such nuisance be subject to a civil penalty of fifty dollars. Such person shall also be liable for all costs, expenses and disbursements paid or incurred by said department, by any of the officers thereof or by any agent, employee or contractor of the same, in the removal of any such nuisance or violation. Any person who, having been served with a notice or order to remove any such nuisance or violation, shall fail to comply with said notice or order within five days after such service, or shall continue to violate any provision or requirement of this chapter in the respect named in said notice or order, shall also be subject to a civil penalty of two hundred and fifty dollars. For the recovery of any such penalties, costs, expenses or disbursements, an action may be brought in any court of civil jurisdiction in said cities. \* \* \*

3. The term "person" as used in this section shall include the owner, mortgagee in possession, assignee of rents, lessee, agent or any other person, firm or corporation, directly or indirectly in control of such dwelling.

Sec. 307. Liens. Every fine imposed by judgment under section three hundred and four of this chapter upon an

owner of a dwelling shall be a lien upon the house in relation to which the fine is imposed from the time of the filing of a certified copy of said judgment in the office of the clerk of the county in which said dwelling is situated, subject only to taxes, assessments and water rates and to such mortgage and mechanic's liens as may exist thereon prior to such filing; and it shall be the duty of the department charged with the enforcement of this chapter upon the entry of said judgment to forthwith file the copy as aforesaid, and such copy upon such filing, shall be forthwith indexed by the clerk in the index of mechanic's liens.

Sec. 308. *Lis pendens*. In any action or proceeding instituted by the department charged with the enforcement of this chapter, the plaintiff or petitioner may file in the county clerk's office of the county where the property affected by such action or proceeding is situated, a notice of the pendency of such action or proceeding.

Said notice may be filed at the time of the commencement of the action or proceeding, or at any time afterwards before final judgment or order, or at any time after the service of any notice or order issued by said department. Such notice shall have the same force and effect as the notice of pendency of action provided for in the civil practice act. Each county clerk with whom such notice is filed shall record it, and shall index it to the name of each person specified in a direction subscribed by the corporation counsel.

• • •